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Centuria Property Funds Limited CENTURIA METROPOLITAN REIT

CMA Q3 FY19 OPERATING UPDATE

Wednesday, 1 May 2019

Centuria Property Funds Limited (**CPFL**), as Responsible Entity of Centuria Metropolitan REIT (**ASX:CMA**), is pleased to provide CMA's operating update for Q3 FY19.

- **Industrial asset divestment completes CMA's transition to a pure play office REIT**
- **High occupancy maintained at 99.0%¹, WALE at 4.0² years**
- **Terms agreed³ for approximately 1,700 sqm of leasing deals, reflecting the high level of existing occupancy within the portfolio**

Property Portfolio and Leasing

Grant Nichols, CMA Fund Manager, commented: "Following completion of Q3 FY19, CMA's high quality portfolio remains well positioned with a WALE of 4.0² years and occupancy of 99.0%¹. Pleasingly, over 60% of the portfolio's expiry profile is now extended out to FY23 and beyond with under 5.0% remaining in FY19. Our team is continuing to turn its attention towards forward expiries, as we look to actively manage the portfolio's leasing profile, taking advantage of market opportunities while reducing lease expiry risk."

Transactions and Capital Management

CMA divested 13 Ferndell Street, Granville, NSW for \$24.2 million, representing a 17.0% premium to last book value and delivered a 14.5% IRR⁴ under Centuria's management.

Grant Nichols commented, "The divestment of CMA's remaining industrial asset was achieved at a strong premium to book. CMA has subsequently been repositioned to a high quality portfolio of Australian office assets diversified by geography, tenant and industry, and now represents Australia's largest pure play ASX listed office REIT."

FY19 Guidance and Summary

CMA reconfirms its FY19 FFO guidance of 18.7 cents per unit, with distributions of 17.6 cents per unit representing a distribution yield of 6.9%⁵.



Grant Nichols commented, “The focus for Q3 FY19 has been on integrating the acquisitions completed during 1H FY19, delivering leasing outcomes to address upcoming expiries and completing the divestment of the REIT’s remaining industrial asset to reposition CMA as a pure play office REIT. The portfolio continues to provide high occupancy and diversified income streams, underpinning forecast distributions that are currently providing a competitive distribution yield of approximately 6.9% - 7.0%⁵.”

– Ends –

For more information or to arrange an interview, please contact:

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About Centuria Property Funds Limited

Centuria Property Funds Limited (CPFL) is the Responsible Entity for the ASX listed Centuria Metropolitan REIT (CMA).

CMA is Australia’s largest ASX listed pure play office REIT and is included in the S&P/ASX300 Index. CMA owns a portfolio of 20 high quality metropolitan office assets with a portfolio value of around \$1.4 billion. The properties are located in core metropolitan submarkets throughout Australia.

CPFL, combined with Centuria Property Funds No. 2 Limited (CPF2L), are wholly owned subsidiaries of Centuria Capital Group (CNI) and have approximately \$4.8 billion of assets under management across 15 unlisted property funds, one open-ended diversified property fund and two listed REITs.

CNI is an ASX-listed specialist investment manager with \$5.6 billion in total funds under management.

www.centuria.com.au

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- 1 By area
 - 2 By gross income
 - 3 Includes Heads of Agreement (HOA)
 - 4 Unlevered IRR calculation commencing from December 2014
 - 5 Based on CMA closing price of \$2.54 per unit on 26 April 2019